

Get a grip on your money with loud budgeting

Enough of the hush-hush – we're all in financial tough times together, and the more we start talking, the easier it will be to get through them

BY SUSAN GRIFFIN

What is it about money that makes it so difficult to talk about? The cost of living crisis is still hitting the headlines, but that doesn't mean people are actually discussing their financial fears. Thankfully, there is a growing desire to become more transparent. A social media trend known as "loud budgeting" lets everyone know what you are – and aren't – prepared to spend your hard-earned cash on. It feels like a breath of fresh air, given that talking about financial worries is regarded as a bigger taboo than mental health, religion or gambling, according to Money Talks, a new campaign launched by suicide prevention charity CALM and Moneysupermarket.com.

Eight in 10 adults have worried about money in the last 12 months and yet 75% of Brits keep quiet about it – and the silent struggle takes a detrimental toll on our health. A recent UCL study suggests that ongoing financial stress can impact physical health more than grief in the long-term.

"Financial factors such as debt, limited income, employment uncertainty or unexpected expenses can lead to feeling trapped, hopeless or out of control, causing stress, anxiety and a sense of powerlessness," says Dr Becky Spelman, psychologist and founder of Private Therapy Clinic. "Acknowledging money worries – and creating a budget, setting goals and actively managing expenses – allows people to accept the reality of their financial situation and to take proactive steps towards change."

Here's how to use loud budgeting as a tool to stay on top of your finances.

MAKE PRIORITIES CLEAR

Prioritising how you want to spend your cash, without being swayed by others, is at the core of managing your money. "It is deciding what's really important to you and allocating your resources accordingly, instead of letting outside forces – whether people, advertising, social media or something else – dictate how you spend," explains Austin Kilgore, an analyst with the Achieve Center For Consumer Insights.

START SAYING 'NO'

Loud budgeting encourages you to say "no" to yourself or others if something doesn't line up with your priorities. "It's not about announcing your entire financial plan, budget, savings and investments to the world," says Austin. "If someone asks you to do something that financially isn't in line with your plan, it's fine to just say something like: 'I'm sorry, it's not in my budget,' or: 'I'll pass, as I'm saving for X, Y, Z.'" Some spends or events can be hard to avoid, such as a gift collection at work or a birthday party. But remember, many of us are in a similar situation and good friends will understand.

OFFER AN ALTERNATIVE

Being more sensible with your money doesn't mean you have to be a hermit. "When you do decide to say no to something, it's often helpful to follow up with an alternative," says Austin. "If friends ask you to join them for a meal out at a restaurant you know will be pricey, you could politely say no, then suggest getting together for dinner another night at your home. This lets people know you're focusing on what's important, which includes spending time with friends." Look out for money-saving tips in all areas of your life, too. "There are almost always ways to pay less, if you know where to look, from train travel to cinema tickets," says Andy Webb, money expert for Becleverwithyourcash.com and host of the *Cash Chats* podcast. Keep an eye out for discounts on sites like Wowcher, Hotukdeals, Topdogdays and Groupon, and take a look at our weekly cash-saving column with lots of tips on p30.

HEALTH

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GET A BUDGET BUDDY

Talking to others about budgeting may feel uncomfortable at first, but it can also be empowering. "Having a more open dialogue can identify tips and tricks," says Julie Beckham at Rockland Trust. "There is also a feeling of community by talking things out with others in similar situations." Perhaps spend more time with a friend you know has the same money goals so you avoid feeling like you're always disappointing those who have more disposable income. Mates can help you stay accountable if they know your goals, too. "Tell them exactly what they are. That way, when something comes up that's beyond your budget, your friends will encourage you to skip it, rather than break your budget," says Scott Lieberman, founder of Touchdownmoney.com.

STAY POSITIVE

Living within a budget, and loudly, can be a dampener – but it doesn't have to be. "It can help to reframe how you think of a budget," says Peter Komolafe, author of *The Money Basics* and host of *Money And More* podcast. "I used to view it as restrictive because bills come first. Now I view it as a way to point money where I want it to go." Try not to allow the things you can't control to bring you down. "Write down all the things that fall within your circle of influence and focus on these first," says Peter. "We are innately hard on ourselves when we make mistakes, but most of us weren't taught about money at school and no one is perfect." Becky says to focus on solutions, not mistakes. "If you find yourself feeling overwhelmed by money worries, deep breathing, mindfulness or other relaxation techniques may help," she says. "It is helpful to remember that life's challenges can be overcome with time and effort, and to seek support from trusted friends, family or financial advisors." **F**

HOW TO BUILD YOUR BUDGET

■ Use a spreadsheet to create a budget or try MoneyHelper's free budget planner.

■ "Categorise expenses into different groups, like utilities, groceries, transport, entertainment and eating out," says James Jones at Experian.

■ Base categories on your spending habits – eg, make a category for takeaway coffees if you want to limit it.

■ Tally up what you've spent for the past few months to get an idea of how much to allocate to each.

■ Don't forget to factor in "random" purchases, such as stamps or DIY items, which can easily add up without you realising.

■ Face up to facts. "Don't overlook that cheeky takeaway or shopping spree," says James. You might spot triggers that are driving spending habits, such as FOMO or coping mechanisms.

■ Tracking spending in real time is key so you can adjust it as you go, without scary surprises at the end of the month. Overspent on takeaways? Cut back on the food shop the following week.

■ Try budgeting apps like Emma and Snoop to stay on track. *The Psychology Of Money* by Morgan Housel is worth reading, too. "Identify goals for the short- and long-term, and obstacles, so you can find strategies to overcome them," says money expert Andy Webb.